



COLORADO

**Department of
Regulatory Agencies**

Public Utilities Commission

NEWS RELEASE

For Immediate Release: Feb. 24, 2015

Joshua B. Epel, Chairman
Pamela J. Patton, Commissioner
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PUC approves Xcel Energy rate case settlement

DENVER — The Colorado Public Utilities Commission (PUC), a division of the Department of Regulatory Agencies (DORA), today approved a settlement agreement that will increase electric rates for Xcel Energy customers by about 2 percent over the next three years to pay for clean air improvements.

The settlement, reached between the company, PUC staff and other parties, calls for a net revenue increase of about \$41.5 million annually, a significant decrease from the \$137.7 million originally proposed by the company.

As approved by the PUC, Xcel's base electric rates would actually decrease by about \$39.4 million per year. However, a Clean Air-Clean Jobs Act (CACJA) rider will be added to customer bills as investments are completed in 2015 and 2016, resulting in the overall net increase. The CACJA was passed by the legislature in 2010 and required utilities to develop and implement emissions reductions plans.

"I believe this settlement lays a strong foundation for a low-carbon future at a reasonable cost, which is what the legislature intended," PUC Chairman Joshua Epel said.

Under the settlement, monthly rates for Xcel residential customers, using an average of 632 kilowatt-hours (kwh) per month, would increase by 1.31 percent, or \$0.96, in 2015 and about 0.97 percent, or \$0.72, in 2016; and decrease by 0.15 percent, or \$0.11, in 2017. Rates for commercial customers would reflect similar percentage changes.

In approving the settlement, the PUC established a 9.83 percent return on equity (ROE) for the company, down from Xcel's current 10.0 percent. The ROE is the return that a utility is authorized to earn on its investment, in order to attract the capital needed to ensure safe and reliable service at reasonable cost for customers. The PUC sets a maximum ROE, but it is not guaranteed.

About PUC

The Colorado Public Utilities Commission (PUC) serves the public interest by effectively regulating utilities and facilities so that the people of Colorado receive safe, reliable, and reasonably-priced services consistent with the economic, environmental and social values of our state.

About DORA

The Department of Regulatory Agencies (DORA) is dedicated to preserving the integrity of the marketplace and is committed to promoting a fair and competitive business environment in Colorado. Consumer protection is our mission. Visit www.dora.colorado.gov for more information or call 303-894-7855/toll free 1-800-886-7675.